



## Frequently Asked Questions

This FAQ is intended to provide developers, partners, and community stakeholders with clear, high-level information about the Housing Central New York (HCNY) Fund, a public private initiative designed to accelerate housing production across Central New York. The responses reflect current program materials and are intended to support early project planning and eligibility discussions. This document will continue to evolve as the program advances, and additional guidance becomes available.

Please send any additional questions you have to [housingcny@communityp.com](mailto:housingcny@communityp.com). You can find information, including term sheets, about HCNY at [HousingCNY.com](http://HousingCNY.com).

### **Will the fund support active adult 55+ housing?**

We are open to funding projects for people 55 and older.

### **Roughly how many homes do you expect can be built if the \$150MM is fully deployed?**

Based on local development costs and the size of loans we expect to make, we estimate the HCNY Fund will produce about 2,250 new housing units.

### **Are rental projects that are 100% affordable eligible?**

Housing Central New York is intended to create workforce housing, with rents in the range of 80-120% area median income, which previously lacked financing support. While there is a need for 100% affordable housing in Central New York, New York State provides many programs that support financing fully affordable housing. We believe the majority of housing the HCNY Fund finances will be affordable to moderate- and middle-income families.

### **What is the region's AMI?**

The Housing Central New York (HCNY) Fund uses Area Median Income (AMI) thresholds to define affordability, consistent with standard housing finance practices. For rental projects, a minimum of 10 percent of units must be affordable to households earning at or below 80 percent

of AMI. For for-sale projects, a minimum of 10 percent of homes must be affordable to households earning at or below 100 percent of AMI.

Actual AMI dollar amounts vary by county and household size and are established annually by the U.S. Department of Housing and Urban Development (HUD). Applicants will be required to apply the applicable HUD published AMI figures for their project's location at the time of underwriting and compliance.

### **What constitutes equity?**

Projects financed through the HCNF Fund must include a minimum of 20 percent sponsor equity as a percentage of total development costs. This equity requirement reflects the Fund's role as a provider of subordinate construction financing and is intended to ensure appropriate risk sharing and sponsor commitment.

While the program specifies the required equity percentage, the specific composition of equity—such as cash equity or other sponsor contributions—is evaluated as part of the underwriting process and in coordination with senior lenders and other capital sources.

### **Does a project have to be in a Pro-Housing Community to be considered for funding?**

Yes. Projects must be in a certified Pro-Housing Community or a municipality actively pursuing certification.

### **Will HCNF fund part of a financing gap when senior debt is at 80%?**

The HCNF Fund is designed to provide subordinate construction financing that can help fill financing gaps when conventional senior construction loans are constrained by loan-to-value, debt service coverage, or overall feasibility limits.

HCNF financing is subject to program underwriting standards, including maximum combined loan-to-value and debt service coverage requirements for takeout permanent financing or for sale absorption assumptions. Loan sizing is determined on a project-specific basis and is calibrated to support financially viable developments without replacing required sponsor equity.

### **Is there a minimum or maximum loan amount?**

Yes. Maximum HCNF loan size is the lesser of \$15 million per project or the amount supportable by the debt service coverage ratio.

### **Is there a project readiness requirement?**



**Community  
Preservation  
Corporation**



**Empire State  
Development**



Projects seeking HCNY financing must demonstrate a sufficient level of readiness to support construction lending. As part of the application process, applicants are required to submit core development materials, including a detailed development pro forma with sources and uses, a construction budget, and an organizational chart.

These requirements are intended to ensure that proposed projects are well defined, financially feasible, and positioned to proceed through underwriting and closing in coordination with senior lenders and other partners.

### **Is there flexibility beyond the 36-month loan term?**

Projects will be evaluated on a case-by-case basis. The default loan term will be 36-months and coterminous with the first mortgage senior construction loan.

### **How are HCNY funds advanced relative to senior construction debt?**

This will be negotiated with the senior construction debt lender.

### **Can government grants be counted as equity?**

Government grants can be counted as equity. However, borrower equity requirements are in place, and borrower equity cannot be \$0. How much government grants count toward equity is determined on a case-by-case basis.

### **Are there energy efficiency or sustainability requirements?**

HCNY does not have specific, mandatory project level energy efficiency or sustainability standards as a condition of funding eligibility. However, the Fund's overall goals emphasize supporting sustainable and equitable housing production, and sustainability considerations may be evaluated in the context of overall project quality, long-term viability, and alignment with broader community and public sector objectives.

